GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:139
ANSWERED ON:09.12.2004
RECOMMENDATIONS OF NARESH CHANDRA COMMITTEE
Chakraborty Shri Ajay;Das Gupta Shri Gurudas

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Naresh Chandra Committee has submitted its report to the Government;

(b) if so, the main recommendations of the report;

(c) whether the Government has accepted all the recommendations of the report; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE(INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a), (b), (c) & (d):- A statement is laid down on the table of the House.

STATEMENT TO BE LAID IN RESPECT OF PARTS (a), (b), (c) and (d) OF THE LOK SABHA STARRED QUESTION NO.139 FOR ANSWER ON 09.12.2004 REGARDING RECOMMENDATIONS OF NARESH CHANDRA COMMITTEE.

(a) The Government had constituted a Committee, in July, 2003 under the chairmanship of Shri Naresh Chandra, former Cabinet Secretary to prepare a roadmap for the civil aviation sector. The Committee has submitted its report in two parts. The first part was submitted on 08.12.2003, whereas the second part of the report has been submitted very recently i.e. on 02.11.2004.

(b) The main recommendations of the Naresh Chandra Committee are as per Annexure.

(c) and (d) These recommendations are under consideration of the Government.

Annexure

Main Recommendations of the Naresh Chandra Committee Report, Part-I

- Lowering systems costs by introducing liberal fiscal regime-rationalisation of taxes on ATF and AVGAS.
- Allow airlines to source ATF from supplier of their choice and improving coordination with other ministries.
- Provide common hydrant infrastructure at airports for supply of ATF.
- Reduce airport charges to international level.
- Liberalise international air transport segment.
- Join regional/multilateral groups for better international connectivity.
- Allow domestic private airlines to operate international services.
- Liberalise international air charters.
- Restructuring of Indian Airlines/Air India/Pawan Hans Helicopters Ltd. by disinvestments etc.
- Lower entry barriers for domestic airlines.
- Raise FDI limits in domestic airlines from 40 to 49% and permit foreign airlines to hold equity.
- Encourage regional air services.
- Establishment of Essential Air Services Fund (EASF) to maintain essential but uneconomical air services/airports.
- Maintain essential air services by minimum subsidy bidding and abolish route dispersal guidelines.
- Encourage helicopter operations and announce specific policy and procedures for helicopter operations.
- Encourage general aviation by suitable incentives.
- Unbundle Airports Authority of India (AAI).
- Expedite privatisation of Mumbai and Delhi airports and privatise other airports as well.
- Ensure choice in ground handling services .
- Upgrade computer systems and provide more space at international airports for immigration and other services.

- Separate ATC services from AAI and vest them with a government owned ATC Corporation under the purview of DGCA.
- Establish a separate economic regulator for aviation sector i.e. Aviation Economic Regulatory Authority (AERA).
- Set up mechanism for effective coordination among various agencies.
- BCAS should remain the nodal agency for aviation security.

Report, Part-II

- Take suitable measures for strengthening the infrastructure for training of Pilots, Engineers and other technical personnel, including commercialisation of IGRUA.
- Legislation of Civil Aviation Security Act.
- Improve Immigration and Customs procedures.
- Restructure of DGCA and split up accident investigation from DGCA to a separate authority.
- Amend the Aircraft Act 1934, Aircraft Rules 1937 and the Regulations for effective regulation of all aspects of aviation.
- Enhancement of Air Space Capacity.
- Airport capacity enhancement.
- Enhancement of Communication, Navigation & Surveillance Capability.
- Development of Helipads and Heliports.
- Take measures to promote export of indigenous Aeronautical Products.